

AO 120 (Rev. 2/99)

TO: Mail Stop 8 Director of the U.S. Patent & Trademark Office P.O. Box 1450 Alexandria, VA 22313-1450	REPORT ON THE FILING OR DETERMINATION OF AN ACTION REGARDING A PATENT OR TRADEMARK
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In Compliance with 35 § 290 and/or 15 U.S.C. § 1116 you are hereby advised that a court action has been
filed in the U.S. District Court Northern District California on the ☒ Patents or ☐ Trademarks:

DOCKET NO. CV 11-03938 JCS	DATE FILED 8/10/2011	U.S. DISTRICT COURT 450 Golden Gate Avenue, 16 th Floor, San Francisco CA 94102
PLAINTIFF ADOBE SYSTEMS INCORPORATED		DEFENDANT KELORA SYSTEMS, LLC
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1 6,275,831	B1	***See Attach Amended Complaint***
2 6,275,831	C1	
3		
4		
5		

In the above—entitled case, the following patent(s) have been included:

DATE INCLUDED	INCLUDED BY		
	<input type="checkbox"/> Amendment <input type="checkbox"/> Answer <input type="checkbox"/> Cross Bill <input type="checkbox"/> Other Pleading		
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK	
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In the above—entitled case, the following decision has been rendered or judgement issued:

DECISION/JUDGEMENT

CLERK Richard W. Wicking	(BY) DEPUTY CLERK Gina Augustine-Rivas	DATE August 19, 2011
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Copy 1—Upon initiation of action, mail this copy to Commissioner Copy 3—Upon termination of action, mail this copy to Commissioner
Copy 2—Upon filing document adding patent(s), mail this copy to Commissioner Copy 4—Case file copy

1 by virtue of their use of Adobe technology;

2 9. That this case is "exceptional" pursuant to 35 U.S.C. § 285, entitling Adobe to an
3 award of its reasonable attorneys' fees;

4 10. That Adobe be awarded its reasonable costs incurred in this action; and

5 11. For such other relief as this Court deems just, reasonable and proper.
6

7 Dated: August 19, 2011

FISH & RICHARDSON P.C.

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9 By: /s/ Enrique D. Duarte
Enrique D. Duarte

10 Attorneys for Plaintiff
11 ADOBE SYSTEMS INCORPORATED

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ECF DOCUMENT
I, the undersigned, do hereby certify that this is a printout of a
document which was electronically filed with the United States
District Court for the Northern District of California.
Date Filed: 8/19/11
By: RICHARD W. WELLS, Clerk
GINA AGUSTINE
Deputy Clerk

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ADOBE SYSTEMS INCORPORATED, a
Delaware Corporation,

Plaintiff,

v.

KELORA SYSTEMS, LLC, a Delaware Limited
Liability Company,

Defendants.

Case No. CV11-03938 JCS

**FIRST AMENDED COMPLAINT FOR
DECLARATORY JUDGMENT**

DEMAND FOR JURY TRIAL

FIRST AMENDED COMPLAINT

Plaintiff Adobe Systems Incorporated ("Adobe") hereby alleges as follows for this First Amended Complaint against Kelora Systems, LLC ("Kelora"):

PARTIES

1. Plaintiff Adobe is a Delaware corporation with its principal place of business at 345 Park Avenue, San Jose, CA 95110.

2. On information and belief, Defendant Kelora Systems, LLC is a Delaware limited liability company with its principal place of business at 19925 Stevens Creek Blvd., Suite 100, Cupertino, CA 95014.

JURISDICTION AND VENUE

3. This action is based on the patent laws of Title 35 of the United States Code, § 1 *et seq.*, with a specific remedy sought under the Federal Declaratory Judgments Act, 28 U.S.C. §§ 2201 and 2202. An actual, substantial, and continuing justiciable controversy exists between Adobe and Kelora that requires a declaration of rights by this Court.

4. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

5. This Court has personal jurisdiction over Kelora because Kelora resides in the state of California and in this district. This Court also has personal jurisdiction over Kelora by virtue of Kelora's purposeful contacts with this District, such that Kelora could have reasonably expected to be haled into Court in this district. Personal jurisdiction over Kelora may also be found by virtue of Kelora's enforcement of the patent that is the subject of this suit in this District against Adobe licensee OfficeMax Incorporated. *See Kelora Systems, LLC v. Target Corp. et al.*, Case No. 4:11cv01548 (CW).

6. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391 and 1400 because a substantial part of the events giving rise to the claims presented in this Complaint occurred in this district, including but not limited to the alleged invention of the patent-in-suit and efforts at commercialization and licensing of the patent-in-suit. Venue is further proper because all

Defendants are subject to personal jurisdiction in this judicial district and are therefore deemed to reside in this district pursuant to 28 U.S.C. § 1391(c).

NOTICE OF RELATED CASES

7. Adobe identifies the following cases to which this action is related: *Nebraska Furniture Mart Inc. v. Kelora Systems LLC*, Case No. 4:11cv02284 (CW); *Kelora Systems, LLC v. Target Corp. et al.*, Case No. 4:11cv01548 (CW); *Cabela's Inc. v. Kelora Systems, LLC*, Case No. 4:11cv01398 (CW); *eBay, Inc. v. PartsRiver, Inc. et al.*, Case No. 4:10cv04947 (CW).

8. The above-referenced cases either were originally filed in this District or were transferred in from other Districts. All were assigned to the Honorable Claudia Wilken.

INTRADISTRICT ASSIGNMENT

9. Under Civil Local Rules 3-2(c) and 3-5, this action, being a declaratory judgment action based on patent claims, is appropriate for assignment on a district-wide basis.

FACTUAL BACKGROUND

10. Adobe develops and sells many software programs for computers and electronic devices, including such technologies as Acrobat, Flash, and PostScript. It also provides web hosting services and other merchandising and data analytics services, such as through its Omniture business.

11. On information and belief, Kelora's business is licensing and enforcement of its patent.

12. On information and belief, Kelora purports to be the owner of U.S. Patent No. 6,275,821 ("821 patent"). The '821 patent is entitled "Method and System for Executing a Guided Parametric Search." A copy of the '821 patent is attached as Exhibit A.

13. On November 8, 2010, Kelora filed a Complaint in the Western District of Wisconsin ("Wisconsin Action") against multiple defendants, including, Target Corp. ("Target"), OfficeMax, Incorporated ("OfficeMax"), Shopko Stores Operating Co., LLC ("Shopko"), Briggs & Stratton Corp. ("Briggs & Stratton"), Chelsea & Scott Ltd. ("Chelsea & Scott"), National Business Furniture, LLC ("National Business"), BuyOnLineNow, Inc. ("BuyOnLineNow"), Rockler Companies, Inc. ("Rockler"), IDW, LLC ("IDW"), 1-800-Flowers.com, Inc. ("1-800-Flowers"), PC Connection, Inc. ("PC Connection"), and Eastbay and Mason Companies, Inc. ("Eastbay and Mason"), collectively the "Retail Defendants," asserting infringement of the '821 patent. The case

1 was subsequently transferred to the Northern District of California before the Honorable Claudia
2 Wilken. Kelora alleges that these Retail Defendants infringe the '821 patent by using the search
3 techniques claimed in the '821 patent in their Internet websites. On information and belief, Kelora's
4 allegations rest at least in part on the alleged use by OfficeMax of Adobe technology, which is
5 alleged by Kelora to be covered by the '821 patent.

6 14. In addition to alleging infringement of the '821 patent based in part on Adobe technology
7 in the Wisconsin Action, on information and belief Kelora has sent letters to other entities who claim
8 to be Adobe technology licensees likewise alleging infringement of the '821 patent based on the use
9 of technology that appears to be provided at least in part by Adobe. These purported licensees
10 include Gerler & Son, Inc. dba Onlineshoes.com; Hayneedle, Inc.; Musicnotes, Inc.; Rooms To Go,
11 Inc.; eCost.com, Inc.; OfficeMax Incorporated; Fingerhut Corp.; Recreational Equipment, Inc.;
12 Macys.com, Inc.; Jockey International, Inc.; Jildor Shoes, Inc.; Charles Tyrwhitt LLC; Speedway
13 Motors, Inc.; Oreck Corporation; Only Natural Pet Store LLC; and Overstock.com, Inc. Many have,
14 in turn, approached Adobe seeking indemnity for and defense of Kelora's claims. As a result of
15 these allegations made by Kelora against the purported Adobe licensees, there is an immediate and
16 actual case or controversy between Adobe and Kelora regarding the non-infringement, validity,
17 absolute and equitable intervening rights, and enforceability of the '821 patent as it pertains to the
18 Adobe licensed technology.

19 15. This controversy is between parties having adverse legal interests and is of sufficient
20 immediacy and reality to warrant issuance of a declaratory judgment under 28 U.S.C. § 2201(a) as to
21 the validity and enforceability of the '821 patent, the alleged infringement of the '821 patent by
22 Adobe or its technology, and Adobe's and its licensees' entitlement to absolute and equitable
23 intervening rights.

24 **FIRST CLAIM FOR RELIEF**

25 **(Declaratory Judgment of Non-Infringement of U.S. Patent No. 6,275,821)**

26 16. Adobe restates and incorporates by reference the allegations in paragraphs 1-15.

27 17. This is an action for declaratory judgment of non-infringement of any valid and
28 enforceable claim of the '821 patent.

1 18. Kelora has alleged and continues to allege that retailer websites using Adobe technology
2 are covered by the '821 patent. Kelora has commenced litigation against the Retail Defendants
3 regarding this matter, and several other companies, including *inter alia*, Microsoft Corp. and eBay
4 Inc., have filed declaratory judgment actions against Kelora.

5 19. Adobe asserts that its technology is not covered by the '821 patent, and that Adobe does
6 not infringe and has not infringed any valid and enforceable claim of the '821 patent. Adobe further
7 asserts that its licensees, including OfficeMax, have not infringed and do not infringe any valid and
8 enforceable claim of the '821 patent through any use of Adobe technology.

9 20. Therefore, there exists a substantial controversy between Adobe and Kelora, parties
10 having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a
11 declaratory judgment that Adobe and its licensees have not infringed and do not infringe any valid
12 and enforceable claim of the '821 patent.

13 21. An actual and justiciable controversy exists regarding the alleged infringement of the
14 '821 patent by Adobe or its licensees, including OfficeMax. Adobe accordingly requests a judicial
15 determination of its rights, duties, and obligations with regard to the '821 patent.

16 22. A judicial declaration is necessary and appropriate so that Adobe may ascertain its rights
17 regarding the '821 patent.

18 **SECOND CLAIM FOR RELIEF**

19 **(Declaratory Judgment of Invalidity of U.S. Patent No. 6,275,821)**

20 23. Adobe restates and incorporates by reference the allegations in paragraphs 1-22.

21 24. This is an action for declaratory judgment of invalidity of any and all asserted claims of
22 the '821 patent.

23 25. On information and belief, Kelora has alleged and continues to allege that retailer
24 websites using Adobe technology are covered by the '821 patent. Kelora has already commenced
25 litigation against the Retail Defendants regarding this matter, and several other companies, including
26 *inter alia*, Microsoft Corp. and eBay Inc., have filed declaratory judgment actions against Kelora.

1 26. The asserted claims of the '821 patent are invalid because they fail to comply with the
2 conditions and requirements for patentability set forth in 35 U.S.C. § 1 *et seq.*, including but not
3 limited to 35 U.S.C. §§ 101, 102, 103, and 112.

4 27. Therefore, there exists a substantial controversy between Adobe and Kelora, parties
5 having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a
6 declaratory judgment that each asserted claim of the '821 patent is invalid.

7 28. Therefore, an actual and justiciable controversy exists regarding the validity of the '821
8 patent. Adobe accordingly requests a judicial determination of its rights, duties, and obligations with
9 regard to the '821 patent.

10 29. A judicial declaration is necessary and appropriate so that Adobe may ascertain its rights
11 regarding the '821 patent.

12 **THIRD CLAIM FOR RELIEF**

13 **(Declaratory Judgment of Intervening Rights to U.S. Patent No. 6,275,821)**

14 30. Adobe restates and incorporates by reference the allegations in paragraphs 1-29.

15 31. This is an action for declaratory judgment of absolute and equitable intervening rights of
16 any and all asserted claims of the '821 patent that were added or amended during reexamination of
17 the '821 patent, or that depend on an amended claim.

18 32. On December 22, 2008, the United States Patent and Trademark Office ("USPTO")
19 determined that there was a substantial new question of patentability affecting claims 1 and 2 of the
20 '821 patent and thus ordered and *ex parte* reexamination of those claims (Reexamination Control
21 No. 90/009,316).

22 33. On June 18, 2009, an Examiner at the USPTO issued an Office Action finally rejecting
23 claims 1 and 2 of the '821 patent under 35 U.S.C. § 102(b) as being clearly anticipated by Granacki
24 et al., *A Component Library Management System and Browser*, ISI Research Report, ISI/RR-93-386,
25 USC/Information Sciences Institute, April, 1993.

26 34. On August 21, 2009, Judge Wilken granted summary judgment that original claims 1 and
27 2 of the '821 patent were invalid under 35 U.S.C. § 102(b) due to the on-sale bar.

28

1 35. On May 20, 2010, the patentee amended original claim 1 of the '821 patent and added a
2 new claim 9.

3 36. On June 24, 2010, the Examiner dismissed the appeal to the BPAI and issued a Notice of
4 Intent to Issue Reexamination Certificate stating that the amended claim 1 and the new claim 9 were
5 allowable.

6 37. On November 2, 2010, the USPTO issued a reexamination certificate for the '821 patent
7 reflecting the allowed amendment to claim 1 and the allowed new claim 9.

8 38. The scope of reexamined claim 1, its dependent claims, and new claim 9 of the '821
9 patent is not legally identical to the scope of any of the original claims of the '821 patent.

10 39. On May 9, 2011, Judge Wilken entered a summary judgment order that, among other
11 things, held that Kelora may not seek damages for infringement of the '821 patent before November
12 2, 2010 (the issue date of the '821 reexamination certificate). *See* Case No. C 10-4947 CW, Docket
13 No. 70. The Court additionally found that amended claims 1 and 2 and new claim 9 are substantially
14 different from original claims 1 and 2. *See id.*, at 7.

15 40. Under 35 U.S.C. § 252, ¶ 1 and § 307(b), Kelora may not bring an action against Adobe
16 or its licensees for causes arising before November 2, 2010, with respect to at least reexamined claim
17 1, its dependent claims, and new claim 9.

18 41. Under 35 U.S.C. § 252, ¶ 2 and § 307(b), Adobe and its licensees are entitled to absolute
19 intervening rights with respect to at least reexamined claim 1, its dependent claims, and new claim 9.

20 42. Under 35 U.S.C. § 252, ¶ 2 and § 307(b), Adobe and its licensees are entitled to equitable
21 intervening rights for the protection of investments made or business commenced before November
22 2, 2010, with respect to at least reexamined claim 1, its dependent claims, and new claim 9.

23 43. Therefore, there exists a substantial controversy between Adobe and Kelora, parties
24 having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a
25 declaratory judgment that Adobe and its licensees, including OfficeMax, are entitled to absolute and
26 equitable intervening rights with respect to at least reexamined claim 1, its dependent claims, and
27 new claim 9.
28

1 44. Therefore, an actual and justiciable controversy exists regarding Adobe's and its
2 licensees', including OfficeMax's, intervening rights concerning the '821 patent. Adobe accordingly
3 requests a judicial determination of its rights, duties, and obligations with regard to the '821 patent.

4 45. A judicial declaration is necessary and appropriate so that Adobe may ascertain its rights
5 regarding the '821 patent.

6 **JURY DEMAND**

7 Adobe hereby requests a trial by jury pursuant to Rule 38 of the Federal Rules of Civil
8 Procedure.

9 **PRAYER FOR RELIEF**

10 WHEREFORE, Adobe prays for judgment against Kelora as follows:

11 1. A declaration that Adobe's technology is not covered by any valid and enforceable
12 claim of the '821 patent, and that Adobe does not infringe any valid and enforceable claim of the
13 '821 patent;

14 2. A declaration that Adobe's licensees, including OfficeMax, do not infringe any valid
15 and enforceable claim of the '821 patent by virtue of their use of Adobe technology;

16 3. A declaration that the '821 patent is invalid;

17 4. A declaration that Kelora may not bring an action against Adobe or its licensees,
18 including OfficeMax, for causes arising before November 2, 2010, with respect to at least
19 reexamined claim 1, its dependent claims, and new claim 9;

20 5. A declaration that Adobe is entitled to absolute intervening rights with respect to at
21 least reexamined claim 1, its dependent claims, and new claim 9;

22 6. A declaration that Adobe's licensees, including OfficeMax, are entitled to absolute
23 intervening rights with respect to at least reexamined claim 1, its dependent claims, and new claim 9
24 by virtue of their use of Adobe technology;

25 7. A declaration that Adobe is entitled to equitable intervening rights with respect to at
26 least reexamined claim 1, its dependent claims, and new claim 9;

27 8. A declaration that Adobe's licensees, including OfficeMax, are entitled to equitable
28 intervening rights with respect to at least reexamined claim 1, its dependent claims, and new claim 9